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Cronan O'Connell
Vice President-Federal Regulatory

REDACTED

August 24, 2005

EX PARTE

ORIGINAL

RECEIVED

AUG 24 2005

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
Room TW B-204
445 12th Street, S.W.
Washington, DC 20554

Federal Communications Commission
Office of Secretary

DOCKET FILE COPY ORIGINAL

Re: *In the Matter of Petition of Qwest Corporation for Forbearance
Pursuant to 47 U.S.C. § 160(c) in the Omaha Metropolitan
Statistical Area – WC Docket No. 04-223*

Dear Ms. Dortch:

On August 23, 2005, Cronan O'Connell, Robert McKenna and Blair Rosenthal, all of Qwest, met with Christopher Killion of the Office of General Counsel, along with Jeremy Miller and Tim Stelzig of the Pricing Policy Division, to discuss the Omaha Metropolitan Forbearance Petition. Copies of the two presentations (one with confidential portions, the other with none) that were referred to during the course of that meeting are appended to this letter.

This **REDACTED** version of the *ex parte* contains both of the aforementioned presentations. The information of the one presentation for which a claim of confidentiality is being made (contained on pages 4, 6, 7 and 8) has been replaced with the designation "**REDACTED.**" Enclosed with this letter are an original and four copies of the redacted version of the confidential presentation. The version of the *ex parte* containing the confidential information of the one presentation is being filed today, via hand delivery, under separate cover.

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Ms. Marlene H. Dortch
August 24, 2005

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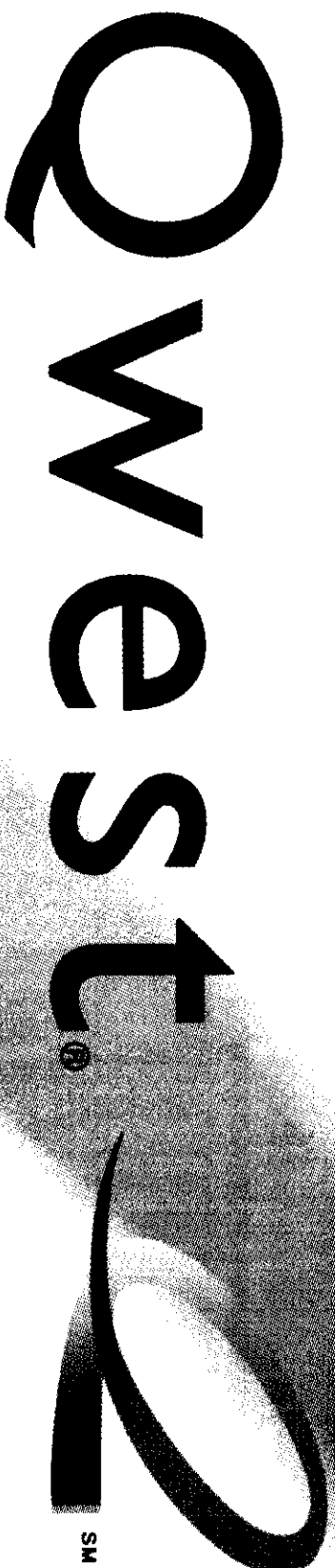
A fifth copy of this letter is being provided, for which acknowledgment is requested. Please date-stamp the copy and return it to the courier. If you have any questions regarding this submission, please contact the undersigned at the contact information reflected in the letterhead. Thank you for your assistance with this matter.

Sincerely,
Crinan O'Connell /LOJ

Attachments

cc:

C. Killion (christopher.killion@fcc.gov)
J. Miller (jeremy.Miller@fcc.gov)
T. Stelzig (tim.stelzig@fcc.gov)



Spirit of Service

Omaha Forbearance

WC 04-223

August 23, 2005

Why We Are Here

- ❑ The days of Qwest's dominance are irreversibly over**
- ❑ Competition has worked – and there are now a multitude of competitive choices available to business and residential customers in Omaha**
- ❑ It is no longer rational, appropriate or necessary to apply dominant carrier and 251(c) requirements to Qwest and Qwest alone in the Omaha MSA**

Erosion of Qwest's Retail Access Line Base in the Omaha MSA ⁽²⁾ 1997 - 2004

Qwest Retail Lines in Service (1)	Dec. 1997	Dec. 1998	Dec. 1999	Dec. 2000 (3)	Feb. 2004 (3)	Dec. 2004
Res.	278,678	274,843	260,023	236,725	136,572	120,485
Bus.	125,116	124,205	118,999	113,624	81,749	80,426
Total	403,794	399,048	379,022	350,349	218,321	200,911

Source: Qwest Forecast Data Mart ("FDM") retail services tracking system.

(1) Excludes Qwest Official Company Service and Public Coin lines.

(2) Excludes effects of market growth.

(3) Data shown at P. 3 of the Affidavit of David L. Teitzel in this docket.

Access Line Breakout for Omaha MSA as of February 2004

	Residence	Business	Total
Resold lines	Redacted	Redacted	Redacted
UNE-P listings	Redacted	Redacted	Redacted
E911 records	Redacted	Redacted	Redacted
Total CLEC lines	Redacted	Redacted	Redacted
Qwest retail lines and % market share	Redacted	Redacted	Redacted
Total Omaha MSA market lines	Redacted	Redacted	Redacted
% CLEC lines in Omaha MSA	Redacted	Redacted	Redacted

Comparison of Qwest Retail Line Counts to Qwest E911 Records in the Omaha MSA

- **E911 records are an approximation of access lines and will never precisely match actual in-service line counts.**
 - Qwest's retail line counts are updated automatically. E911 records are driven by service orders issued separately to Intrado.
 - Disconnected lines are occasionally not removed immediately from the Intrado database.
 - Qwest does not report "incoming only" line records to Intrado, since these lines can never originate an E911 call.

Comparison of Qwest Retail Line Counts to Qwest E911 Records in the Omaha MSA (cont'd)

Qwest Retail Access Lines vs. E911 Records (April 2004 data)

		<u>Residence</u>	<u>Business</u>	<u>Total</u>
Iowa portion of Omaha MSA	Qwest retail line totals	Redacted	Redacted	Redacted
	Qwest E911 records	Redacted	Redacted	Redacted
	Difference	Redacted	Redacted	Redacted
Nebraska portion of Omaha MSA	Qwest retail line totals	Redacted	Redacted	Redacted
	Qwest E911 records	Redacted	Redacted	Redacted
	Difference	Redacted	Redacted	Redacted

Note Qwest retail line totals include Qwest Official Company Service lines, which are also included in Qwest E911 records.

Omaha MSA Wholesale Services View: Qwest Wire Centers

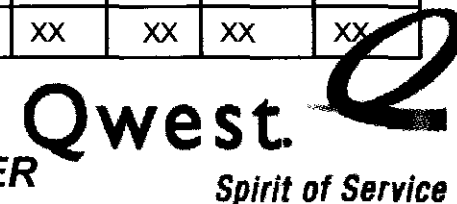
(12/31/04)

- As of 12/31/04, a total of 31 CLECs were purchasing wholesale items from Qwest in the Omaha MSA.

WIRE CENTER	Active CLECs	UNE Loops					UNE-P		QPP		Resale	
		DS0	DS1	DS3	Collo	LIS Trunks	BUS	RES	BUS	RES	BUS	RES
BENNINGTON	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
ELKHORN-WATERLOO	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
GRETNA	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA 135TH ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA 156 ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA 78TH ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA 84TH ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA 90TH ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA BELLEVUE	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA DOUGLAS	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA FORT ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA FOWLER ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA IZARD ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
OMAHA O ST	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
SPRINGFIELD	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
VALLEY	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

= fewer than 10 units.

CONFIDENTIAL – SUBJECT TO PROTECTIVE ORDER

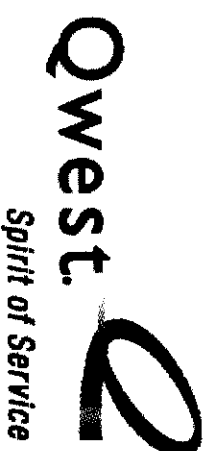


Omaha MSA Wholesale Services View: Qwest Wire Centers (12/31/04)

		UNE Loops				UNE-P				QPP		Resale	
		DS0	DS1	DS3	Collo	LIS Trunks	BUS	RES	BUS	RES	BUS	RES	RES
WIRE CENTER	Active CLECs												
COUNCIL BLUFFS DOWNTOWN	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
COUNCIL BLUFFS MANAWA	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
CRESCENT	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
GLENWOOD-MINEOLA	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
MALVERN	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
MISSOURI VALLEY	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
NEOLA	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
UNDERWOOD	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

= fewer than 10 units
* = 3 or fewer CLECs

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CONFIDENTIAL – SUBJECT TO PROTECTIVE ORDER



Relief Requested

Obligation:	Relief Requested:	Remaining Obligations:
Section 251(c)	<ul style="list-style-type: none"> • §251(c)(3) Unbundled access to narrowband UNE loops and transport • §251(c)(2)(D) TELRIC pricing • §251(c)(4) Resale at a discount • §251(c)(2)(B) Interconnection at any technically feasible point • §251(c)(6) Collocation 	<ul style="list-style-type: none"> • Duty to negotiate in good faith • Duty to interconnect • All §251(a) and §251(b) obligations including interconnection, resale, number portability, access to rights of way and reciprocal compensation • All §201 and §202 obligations
Section 251(h)(1)	<ul style="list-style-type: none"> • Incumbent LEC designation & regulation 	
Section 271(c)(2)(B) I, ii, iv-vi, xiv	<ul style="list-style-type: none"> • (i) Interconnection at any technically feasible point • (ii) Nondiscriminatory access to narrowband UNE loops and transport and switching at TELRIC pricing • (iv) Access to narrowband loop and transport network elements • (vi) Access to switching network element • (xiv) Resale at a discount 	<ul style="list-style-type: none"> • Duty to interconnect • Duty to permit access to rights of way • Duty to allow resale (without discount) of telecommunications services
Relief from Dominant Carrier Regulation of Interstate Services	<ul style="list-style-type: none"> • Tariffing and cost support for Special and Switched Access Services 	<ul style="list-style-type: none"> • Same tariffing obligations as CLECs

Evidence Collected by State PUCs of the Magnitude of CLEC Competitive Presence in the Omaha MSA

- In Iowa, the Iowa Utilities Board (“IUB”) conducted a survey of CLEC lines in service in Iowa in conjunction with Docket No. INU-04-1, a docket initiated by the IUB to determine whether local exchange service in certain Iowa communities is subject to effective competition.
 - CLECs responses were collected 4th Qtr. 2003 (and updated 3rd Qtr. 2004) and are highly confidential. Qwest does not have access to the responses.
 - **The IUB concluded, based on CLEC responses, that CLECs have “acquired a market share greater than 50% for both business and residential customers” in Council Bluffs.** (IUB Final Decision and Order, 12/22/2004, p. 4).
- In Nebraska, the Nebraska Public Service Commission (“NPSC”) issues an annual report to the Legislature regarding telecommunications competition, and in so doing, obtains highly confidential in-service quantities from CLECs serving the state. Qwest does not have access to the highly confidential CLEC access line reports collected by the Commission in the preparation of its report.

Note: Qwest is precluded from obtaining this highly confidential data, and the FCC may wish to work directly with the IUB and NPSC to obtain the required information.

Maps Relevant to Qwest's Forbearance Petition in the Omaha MSA

- ❑ **At Staff's request, colored maps showing the boundaries of the 24 Qwest wire centers in the Omaha MSA are provided as well as an overlay showing the physical boundaries of the Omaha MSA.**
 - Note: Qwest's petition relates only to Qwest's service territory within the Omaha MSA.
- ❑ **At Staff's request, maps illustrating the fiber routes of various competitive providers in the Omaha MSA are provided.**
 - Note: These maps are based upon data provided by GeoTel and Power Engineering, the sources relied upon by Qwest for fiber route data utilized in the Triennial Review proceedings.
- ❑ **An updated map showing the "triple play" service area of Cox Communications in the Omaha MSA is provided.**
 - Note: This map is based upon data obtained from Cox's website by Qwest Market Intelligence.

Qwest's Forbearance Request Serves the Public Interest

- The Section 10(a) and (b) forbearance criteria are met.**
 - Enforcement of such regulation is not necessary to ensure that the charges, practices, classifications, or regulations are just and reasonable because Sections 201 and 202 will still apply**
 - Enforcement of such regulation or provision is not necessary for the protection of consumers because competition in Omaha is irreversible**
 - Forbearance from applying such provision or regulation is consistent with the public interest because competition has and will continue to increase consumer choices, in terms of services and service providers**

Overview

Our Company

Our Network

Our People

Our Customers

Cox Enterprises

Cox Communication, Cox Television, Cox Newspapers,
Cox Radio, Auto-Trader.com, Mannheim Auto Actions

Over **\$10.7 billion** In Revenue in 2003

Market Cap Value of **\$17.3B**

Annual Market growth over 10 years = **15%**

Building technology and fiber networks for over 15
years.

300,000 customers

Cox Business Services enterprise sales growth 100%
per year (for 5 consecutive years).

Cox Business Services

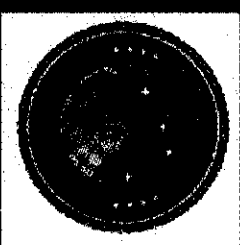
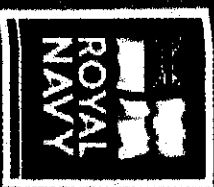
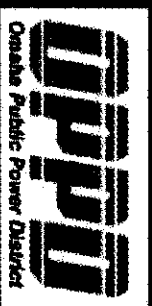
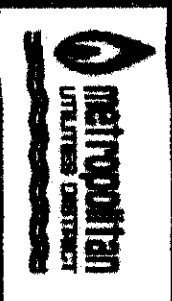
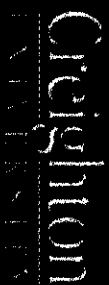
Digital Business Lines, Digital Trunks, ISDN PRI, Toll-Free and Long Distance.

Cable Modem speeds to 786Kbps/6.0Mbps. T-1speeds (1.5 Mbps) of internet. Optical Internet from OC 3 to OC12 (622Mbps) to OC48 to OC-192 Bandwidth. Ethernet over Sonet (EOS) scalable to 100Mbps.

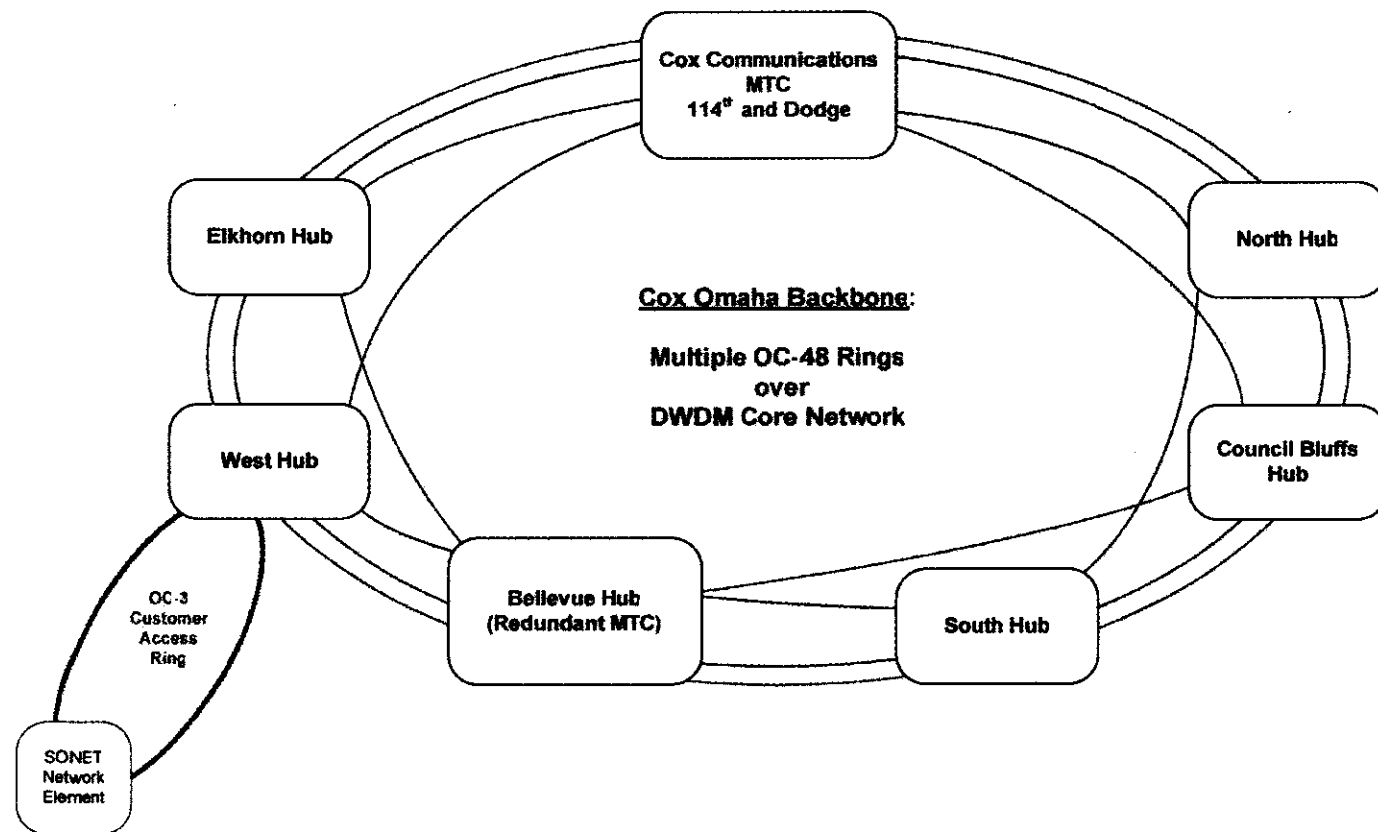
DS-1, DS-3, Ethernet over Sonet (EOS), Virtual Private Network (VPN) and Local Loop Connectivity to IXC's.

Digital Cable Television and Digital Music Choice often found in boardrooms, lobby's and executive offices.

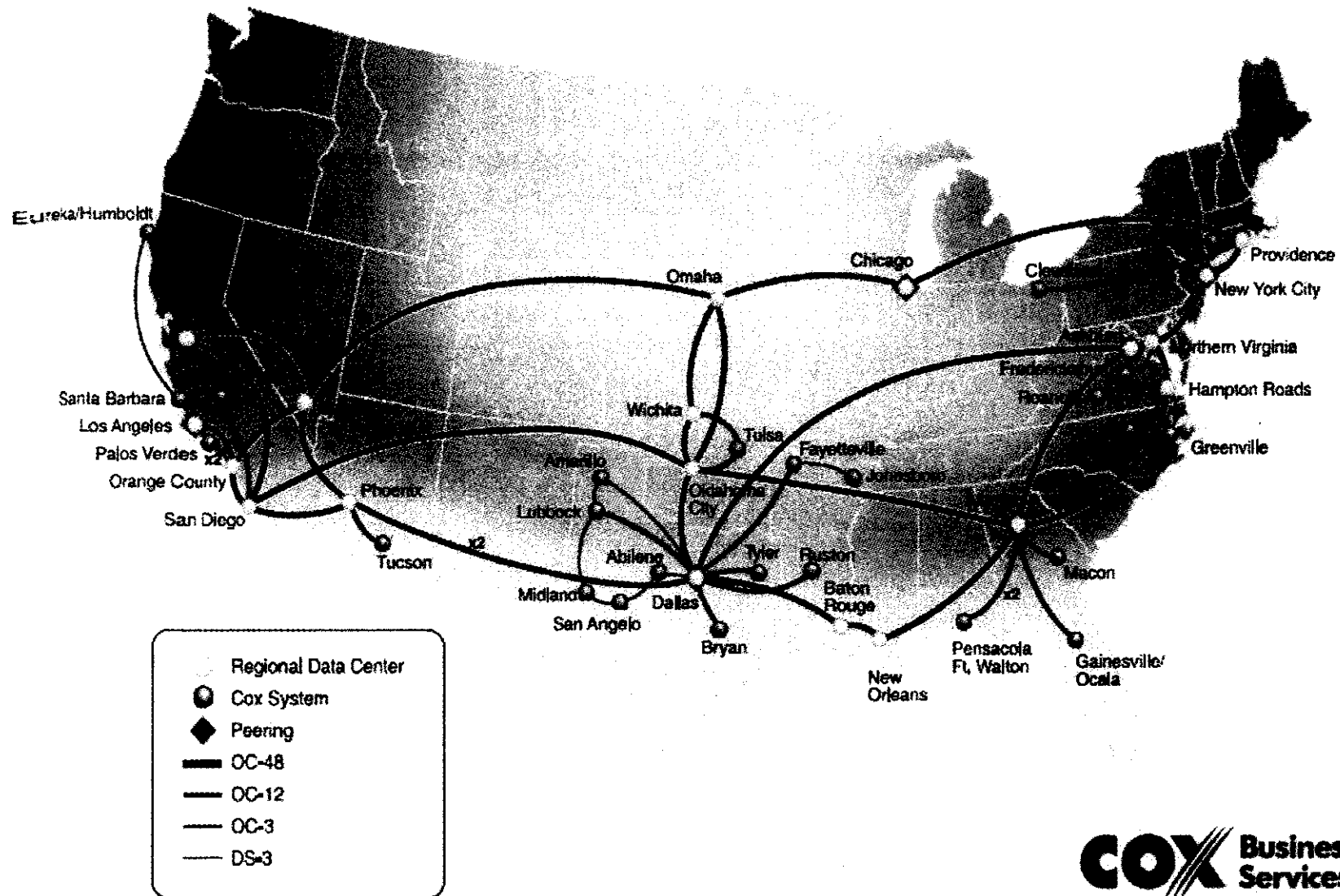
We're proud of our solutions



Cox Communications Ring-In-Ring Architecture



Cox High Speed Internet Backbone



COX Business Services.

Due to our continued growth this map is subject to change.
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Our Network Ops.



- 24/7 Monitoring of critical elements
- 24/7 Maintenance
- 24/7 Management
- 24/7 Notifications & Response

In partnership with COX our customers receive the following benefits:

- | | |
|---|--|
| Superior Network – the most effective platform and architecture available | = Peace of mind |
| Proactive Network Monitoring – 24x7x365 | = Hassle-free & worry-free customer service experience. |
| Efficient, scalable products at competitive rates | = Economic & reliable solutions designed specifically for you. |
| Local, experienced sales, service, and project management | = Competitive advantage in a fast-paced corporate world. |
| Strong financial position in the industry | = Your long-term telecommunications partner. |

Your Local Account Team

, Enterprise Account Executive
 , Senior Sales Engineer
 , Fiber Project Coordinator
 , Enterprise Sales Manager
 , Operations Manager
 , Director of Sales
 , VP & GM, CBS
 , GM, Cox Communications Omaha

Next Steps

Your Needs

Establish Time Frame

Project Management Team

Implementation

Next Step

Our experience.

- **4,100+** Network Miles built in Omaha Metro.
- **1,000+** Network Miles of Fiber in Omaha Metro.
- Built In Business Continuity:
 - Redundant
 - Diverse routes
 - Independently powered
 - Dual entrances and/or dual hubs
- **165,000 Plus** Phone Lines in Service today
- **4 million** Calls Completed daily
- **100,000 plus** Internet Customers